

§ 995.9

transferred to the Financing Corporation. Such request shall specify the estimated amount of funds required to pay the interest due on Financing Corporation obligations.

[62 FR 50248, Sept. 25, 1997, as amended at 65 FR 8268, 8269, Feb. 18, 2000; 67 FR 12856, Mar. 20, 2002]

§ 995.9 Reports to the Finance Board.

The Financing Corporation shall file such reports as the Finance Board shall direct.

§ 995.10 Review of books and records.

The Finance Board shall examine the Financing Corporation at least annually to determine whether the Financing Corporation is performing its functions in accordance with the requirements of section 21 of the Act (12 U.S.C. 1441) and this part.

[62 FR 50248, Sept. 25, 1997. Redesignated at 65 FR 8256, Feb. 18, 2000, as amended at 67 FR 12856, Mar. 20, 2002]

PART 996—AUTHORITY FOR BANK ASSISTANCE OF THE RESOLUTION FUNDING CORPORATION

Sec.

996.1 [Reserved]

996.2 Bank employees.

996.3 Demand deposit accounts.

AUTHORITY: 12 U.S.C. 1422a, 1422b.

§ 996.1 [Reserved]

§ 996.2 Bank employees.

Upon the request of the Directorate of the Resolution Funding Corporation, established pursuant to section 21B(b) of the Act (12 U.S.C. 1441b(b)), officers, employees, or agents of the Banks are authorized to act for and on behalf of the Resolution Funding Corporation in such manner as may be necessary to carry out the functions of the Resolution Funding Corporation as provided in section 21B(c)(6)(B) of the Act (12 U.S.C. 1441b(c)(6)(B)).

[54 FR 39729, Sept. 28, 1989, as amended at 65 FR 8269, Feb. 18, 2000. Redesignated and amended at 67 FR 12856, Mar. 20, 2002]

§ 996.3 Demand deposit accounts.

Each Bank shall allow any Savings Association Insurance Fund member

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whose principal place of business is in its district to establish and maintain at least one demand deposit account for the purpose of facilitating the Resolution Funding Corporation's assessments pursuant to section 21B(e)(7) of the Act (12 U.S.C. 1441b(e)(7)).

[54 FR 39729, Sept. 28, 1989, as amended at 65 FR 8269, Feb. 18, 2000. Redesignated and amended at 67 FR 12856, Mar. 20, 2002]

PART 997—RESOLUTION FUNDING CORPORATION OBLIGATIONS OF THE BANKS

Sec.

997.1 Definitions.

997.2 Reduction of the payment term.

997.3 Extension of the payment term.

997.4 Calculation of the quarterly present-value determination.

997.5 Termination of the obligation.

AUTHORITY: 12 U.S.C. 1422b(a) and 1441b(f).

SOURCE: 65 FR 17438, Apr. 3, 2000, unless otherwise noted.

§ 997.1 Definitions.

As used in this part:

Actual quarterly payment means the quarterly amount paid by the Banks to fulfill the Banks' obligation to pay toward interest owed on bonds issued by the REFCORP. The amount will equal the aggregate of 20 percent of the quarterly net earnings of each Bank, or such other amount assessed in accordance with the Act and the regulations adopted thereunder.

Benchmark quarterly payment means \$75 million, or such amount that may result from adjustments required by calculations made in accordance with §§ 997.2 and 997.3.

Current benchmark quarterly payment means the benchmark quarterly payment that corresponds to the date of the actual quarterly payment.

Deficit quarterly payment means the amount by which the actual quarterly payment falls short of the current benchmark quarterly payment.

Estimated interest rate means the interest rate provided to the Finance Board by the Department of the Treasury on a zero-coupon Treasury bond, the maturity of which is the same as the date of the benchmark quarterly payment that is being defeased, or if no bond matures on that date, then is the

date closest to the date of the payment being defeased.

Excess quarterly payment means the amount by which the actual quarterly payment exceeds the current benchmark quarterly payment.

Quarterly present-value determination means the quarterly calculation that will determine the extent to which an excess quarterly payment or deficit quarterly payment alters the term of the Banks' obligation to the REFCORP. This determination will fulfill the requirements of 21B(f)(2)(C)(ii) of the Act (12 U.S.C 1441b(f)(2)(C)(ii), as amended by Pub. L. 106-102, sec. 607, 113 Stat.1456-57.

[65 FR 17438, Apr. 3, 2000, as amended at 67 FR 12856, Mar. 20, 2002]

§ 997.2 Reduction of the payment term.

(a) *Generally.* The Finance Board shall shorten the term of the obligation of the Banks to make payments toward the interest owed on bonds issued by the REFCORP for each quarter in which there is an excess quarterly payment.

(b) *Excess quarterly payment.* Where there is an excess quarterly payment, the quarterly present-value determination shall be as follows:

(1) The future value of the excess quarterly payment shall be calculated using the estimated interest rate corresponding to the last non-defeased benchmark quarterly payment.

(2) The future value calculated in paragraph (b)(1) of this section shall be subtracted from the amount of the last non-defeased quarterly benchmark payment.

(3) If the difference resulting from the calculation in paragraph (b)(2) of this section is greater than zero, then the last non-defeased quarterly benchmark payment is reduced by the future value of the excess quarterly payment.

(4) If the difference resulting from the calculation in paragraph (b)(2) of this section is less than zero, then the last non-defeased quarterly benchmark payment shall be defeased and the payment term shall be shortened.

(5) The amount of the excess quarterly payment that has not already been applied to defeasing the payment under paragraph (b)(4) of this section shall be applied toward defeasing the

last non-defeased quarterly benchmark payment using the applicable estimated interest rate.

§ 997.3 Extension of the payment term.

(a) *Generally.* The Finance Board will extend the term of the obligation of the Banks to make payments toward interest owed on bonds issued by the REFCORP for each calendar quarter in which there is a deficit quarterly payment.

(b) *Deficit quarterly payment.* Where there is a deficit quarterly payment, the quarterly present-value determination shall be as follows:

(1) The future value of the deficit quarterly payment shall be calculated using the estimated interest rate corresponding to the last non-defeased benchmark quarterly payment, or to the first quarter thereafter if the last non-defeased benchmark quarterly payment already equals \$75 million.

(2) The future value calculated in paragraph (b)(1) of this section shall be added to the amount of the last non-defeased quarterly benchmark payment if that sum is \$75 million or less.

(3) If the sum calculated in paragraph (b)(2) of this section exceeds \$75 million, the last non-defeased quarterly benchmark payment will become \$75 million, and the quarterly benchmark payment term will be extended.

(4) The extended payment will equal the future value of the amount of the deficit quarterly payment that has not already been applied to raising the quarterly benchmark payment to \$75 million under paragraph (b)(3) of this section, using the estimated interest rate corresponding to the date of the extended benchmark quarterly payment.

(c) *Term beyond maturity.* The benchmark quarterly payment term may be extended beyond April 15, 2030, if such extension is necessary to ensure that the value of the aggregate amounts paid by the Banks exactly equals the present value of an annuity of \$300 million per year that commences on the date on which the first obligation of the REFCORP was issued and ends on April 15, 2030.